



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

KQ-4

AUG 2 2000

William K. Phelan, Treasurer
Scars Political Action Committee
3333 Beverly Road BSC: B5-114B
Hoffman Estates, IL 60179

Identification Number: C00038612

Reference: Year End Report (7/1/99-12/31/99)

Dear Mr. Phelan:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The totals listed on Lines 11(a)(i) and 11(a)(ii), Column B of the Detailed Summary Page appear to be incorrect. Please be advised that you should add the "Calendar Year-to-Date" total from your previous report to the current "Total This Period" figure from Column A to derive the correct Column B totals. When an individual's aggregate exceeds the \$200 threshold, the amount should not be deducted from the Column B figure for Line 11(a)(ii). Please amend your report and any subsequent reports that may be affected by this correction.

-Your calculations for Line 29, Column B appear to be incorrect. FEC calculations disclose this amount(s) to be \$3,000. Please provide the corrected total(s) on the Detailed Summary Page.

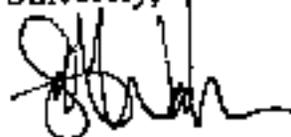
-Schedule A supporting Line 11(a)(i) of your report discloses contributions received through what appears to be a payroll deduction plan. Please amend your report to disclose the amount and frequency of the payroll deduction. 11 CFR §104.8(b) Please refer to the enclosed sample of properly reported payroll deductions.

-Please amend Schedule B supporting Line 23 by providing the office sought (i.e., House, Senate or President) including the state and congressional district for each contribution made. 11 CFR §104.3(b)(3)(ii) and (v)

-Schedule B supporting Line 23 discloses contributions to federal candidates for which no election designation has been provided. Please note that if no designation is included in your report, the contributions will be attributed to the next upcoming election for the recipient candidate. Thus, for future reporting purposes, it is in your committee's interest to designate the appropriate election in order to avoid the appearance of excessive contributions made to federal candidates by your committee.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Scott Walker
Reports Analyst
Reports Analysis Division

PAYROLL DEDUCTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate schedule for each category of the previous summary page	PAGE	OF
Contributions from Individuals				FOR LINE NUMBER	11	6000
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.						
NAME OF COMMITTEE (in full) National Organization PAC 12345678901						
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Use gross pay (per)	Amount of Each Receipt (in full)	
Anne Sullivan 21 18th Street City, State ZIP		National Organization, Inc.		payroll deduction	\$50.00	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation Executive Manager		Aggregate Year-to-Date	(\$18 biweekly)	
B. Full Name, Mailing Address and ZIP Code		Name of Employer		Date (month, day, year)	Amount of the Receipt (in full)	
Rodney Jones 861 Hainsbury Road City, State ZIP		National Organization, Inc.		payroll deduction	\$120.00	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation Vice President		Aggregate Year-to-Date	(\$20 biweekly)	

Itemize payroll deductions only after they have exceeded \$200 per calendar year from an individual.

IN-KIND CONTRIBUTIONS

SCHEDULE A		ITEMIZED RECEIPTS		Use separate schedule for each category of the previous summary page	PAGE	OF
Contributions from Individuals				FOR LINE NUMBER	11	6000
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.						
NAME OF COMMITTEE (in full) National Organization PAC 000000001						
A. Full Name, Mailing Address and ZIP Code		Name of Employer		Use gross pay (per)	Amount of Each Receipt (in full)	
Martin L. Kress 4 River Road City, State ZIP		National Organization, Inc.		6/18/84	\$5,999.00 (IN-KIND CONTRIBUTION)	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Occupation Chairman		Aggregate Year-to-Date	\$5,999.00	

SCHEDULE B		ITEMIZED DISBURSEMENTS		Use separate schedule for each category of the previous summary page	PAGE	OF
Operating Expenditures/Other Federal				FOR LINE NUMBER	21	(b)
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.						
NAME OF COMMITTEE (in full) National Organization PAC 000000001						
A. Full Name, Mailing Address and ZIP Code		Purpose of Disbursement		Date (month, day, year)	Amount of Cash Disbursement (in full)	
Martin L. Kress 4 River Road City, State ZIP		raffle prize		8/18/84	\$5,999.00 (CONTRIBUTION)	
Receipt for: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):		Disbursement for: <input type="checkbox"/> Party <input type="checkbox"/> Campaign <input type="checkbox"/> Other (specify):				

Itemize in-kind contributions on both Schedules A and B so as not to inflate the cash-on-hand amount.

Payroll Deductions

Once an individual's deductions aggregate over \$200 in a calendar year, report the total amount deducted from the donor's paychecks during the reporting period on Schedule A. In parentheses indicate the amount that was deducted each pay period. Instead of stating a specific date of receipt, write "payroll deduction" under "Date." The other itemized information, including the year-to-date total, must be completed for each donor. 104.8(b).

EXAMPLE: During an election year, a corporate manager authorizes her employer to deduct \$15 per pay period (each pay period is two weeks) for the company's SSF. The SSF, which files FEC reports on a quarterly schedule, includes the manager's first-quarter contributions (\$90 for six pay periods) as "unitemized contributions" on Line 11(a)(ii) in the April quarterly report.

By June 30 (the closing date for the July quarterly report), 19 pay periods have passed, and the manager's aggregate contributions are \$285—still below the \$200 itemization threshold. The manager's second-quarter contributions again are included in "unitemized contributions" in the July report.

By September 30 (the closing date for the October quarterly report), 19 pay periods have passed, and the manager's contributions reach \$285. Now the committee itemizes the total contributions received from the manager during the third quarter (\$90), providing the year-to-date total in the appropriate space. (See Item A in the illustration above.)

In-Kind Contributions

When determining whether to itemize an in-kind contribution, follow the same guidelines listed above under "When to Itemize Receipts." See page 8 for information on how to determine the dollar value of an in-kind contribution.

In addition, add the value of the in-kind contribution to the operating expenditures total on Line 21(b) (in order to avoid inflating the cash-on-hand amount) 104.13(a)(2).

If the in-kind contribution must be itemized on Schedule A, then it must also be itemized on a Schedule B for operating expenditures. See the illustration at left.

